Attachment 2

Comparison of Performance Measures Adopted in Texas With Performance Measures in SBC/Ameritech's Proposal Merger Conditions

Comparison of Performance Measures Adopted in Texas With Performance Measures in SBC/Ameritech's Proposal Merger Conditions

Texas Performance Measures	FCC Merger Measures
Pre-Ordering/Ordering	
Avg Response Time for OSS Pre-order Interfaces	Measure 15
Percent Response Received Within X Seconds – OSS Interfaces	**********
Percent FOC Confirmations Returned Within X Hours	Measure 1
Avg time to Return FOC	**********
EASE Avg Response Time	**********
Percent Mechanized Completions Returned Within 1 Hour of Completion	**********
Percent Mechanized Completions Returned Within 1 Day of Work Completion	**********
Avg Time to Return Mechanized Completions	**********
Percent Rejects	**********
Percent Mechanized Rejects Returned Within 1 Hour of Receipt of Reject in LASR	**********
Mean Time to Return Mechanized Rejects	**********
Mechanized Provisioning Accuracy	**********
Order Process Percent Flow Through	Measure 16
OSS	
OSS Interface Availability	Measure 14
Provisioning – Resale POTS, UNE Loop/Port Combinations	
Mean Installation Interval	Measure 4a
Percent Installations Within X Business Days	**********
Percent SWBT-Caused Missed Due Dates	**********
Percent Company Missed Due Dates Due to Lack of Facilities	**********
Avg Delay Days for Missed Due Dates	**********
Avg. Delay Days for SWBT-Caused Missed Due Dates	Measure 5a

Texas Performance Measures	FCC Merger Measures
Provisioning – Resale POTS, UNE Loop/Port Combinations (Continued)	
Percent SWBT-Caused Missed Due Dates > 30 Days	**********
Count of Orders Cancelled After the Due Date Which Were Caused by SWBT	**********
Percent Trouble Report Within 10 Days of Installation	Measure 3a
Percent No Access (Service Orders With No Access)	**********
Maintenance – Resale Pots, UNE Loop/Port Combinations	
Trouble Report Rate	Measure 11a
Percent Missed Repair Commitments	Measure 8a
Receipt to Clear Duration	Measure 10a
Percent Out of Service (OOS) < 24 Hours	**********
Percent Repeat Reports	Measure 9a
Percent No Access (Percent of Trouble Reports With No Access)	**********
Provisioning – Resale Specials, Loop & Port Combinations	
Avg. Installation Interval	Measure 4b
Percent Installations Completed Within X Business Days	**********
Percent SWBT-Caused Missed Due Dates	Measure 2b
Percent Installation Reports (Trouble Rpts.) Within 30 Days of Installation	Measure 3b
Percent Missed Due Dates Due to Lack of Facilities	**********
Delay Days for Missed Due Dates Due to Lack of Facilities	**********
Delay Days for SWBT-Caused Missed Due Dates	Measure 5b
Percent SWBT-Caused Missed Due Dates > 30 Days	**********
Count of Orders Cancelled After the Due Date That Were Caused by SWBT - Specials – Provisioning	**********

Texas Performance Measures	FCC Merger Measures
Maintenance – Resale Specials, Loop & Port Combinations (Continued)	
Mean Time to Restore	Measure 10b
Percent Repeat Reports	Measure 9b
Failure Frequency	Measure 11b
Provisioning – UNEs	
Avg Installation Interval	**********
Percent Installation Completed Within X Days	Measure 4c
Avg Response Time for Loop Makeup Info.	Measure 7
Percent SWBT-Caused Missed Due Dates	Measure 2c
Percent Installation Reports (Trouble Rpts.) Within 30 Days of Installation	Measure 3c
Percent Missed Due Dates Due to Lack of Facilities	**********
Avg Delay Days for Missed Due Dates Due to Lack of Facilities	**********
Avg Delay Days for SWBT-Caused Missed Due Dates	Measure 5c
Percent SWBT-Caused Missed Due Dates > 30 Days	**********
Count of Orders Cancelled After the Due Date Which Were Caused by SWBT	**********
Maintenance – UNEs	
Trouble Report Rate	Measure 11c
Percent Missed Repair Commitments	Measure 8b
Mean Time to Restore	Measure 10c
Percent Out of Service (OOS) < X Hours	**********
Percent Repeat Reports	Measure 9c

Texas Performance Measures	FCC Merger Measures
Interconnection Trunks	
Percent Trunk Blockage	Measure 17
Common Transport Trunk Blockage	Measure 18
Distribution of Common Transport Trunk Groups > 2 Percent	**********
Percent Missed Due Date Interconnection Trunks	**********
Avg. Delay Days for Missed Due Dates – Interconnection Trunks	**********
Percent SWBT Caused Missed Due Dates > 30 Days – Interconnection Trunks	**********
Avg Trunk Restoration Interval – Interconnection Trunks	Measure 12, provides data on all service effecting trunks, which would include interconnection trunks. Isolates interconnection trunks.
Avg Trunk Restoration Interval for Service Affecting Trunks	Measure 12
Avg Interconnection Trunk Installation Interval	**********
Director Assistance (DA) and Operator Services	
DA Grade of Service	**********
DA Avg Speed of Answer	**********
Operator Services Grade of Service	**********
Operator Services Speed of Answer	**********
Percent Calls Abandoned	**********
Percent Calls Deflected	**********
Avg. Work Time	**********
Non Call Busy Work Volumes	**********
Interim Number Portability (INP)	
Percent Installation Completed Within X (3, 7, 10) Days	**********
Avg INP Installation Interval	**********
Percent INP Only I – Reports Within 30 days	**********

Texas Performance Measures	FCC Merger Measures
Interim Number Portability (INP) (Continued)	
Percent Missed Due Dates (INP Only)	**********
Local Number Portability (LNP)	
Percent LNP Only Due Dates Within Industry Standards	**********
Percent Time the Old Service Provider Releases the Subscription Prior to the Expiration of the Second 9 Hour (T2) Times	**********
Percent FOCs Returned Within X Hours	**********
Avg Response Time for Non-mechanized Rejects Returned with Complete and Accurate Codes	**********
Percent Premature Disconnects for LNP Orders	Measure 13
Percent of Time SWBT Applies the 10-digit Trigger Prior to the LNP Order Due Date	**********
Percentage LNP I-Reports in 10 Days	**********
Avg Delay Days for SWBT Missed Due Dates	**********
Avg Time of Out of Service (OOS) for LNP Conversions	**********
Percent of Out of Service < 60 Minutes	**********
Database	
Avg Time to Clear	**********
Percent Accuracy for 911 Database Updates	**********
Avg Time Required to Update 911 Database (Facility-based Providers)	**********
Poles, Conduits and Right of Way	
Percent Requests Processed Within 35 Days	**********
Percent Avg Days Required to Process a Request	**********

Texas Performance Measures	FCC Merger Measures
Collocation	
Percent Missed Collocation Due Dates	Measure 19
Avg Delay Days for SWBT Missed Due Dates	**********
Percent of Requests Processed Within Tariffed Timelines	**********
Directory Assistance Database	
Percent Updates Completed into the DA Database Within 72 Hours for Facility-based CLECs	**********
Avg Update Interval for DA Database for Facility-based CLECs	**********
Percent DA Database Accuracy for Manual Updates	**********
Percent of Electronic Updates that Flow Through the DSR Process Without Manual Intervention	**********
Coordinated Conversions	
Percent Premature Disconnects (Coordinated Cutovers)	**********
Percent SWBT-Caused Delayed Coordinated Cutovers	**********
Percent Missed Mechanized INP Conversions	**********
NXX	
Percent NXX Loaded and Tested Prior to the LERG Effective Date	**********
Avg Delay Days for NXX Loading and Testing	**********
Mean Time to Repair	**********

Texas Performance Measures	FCC Merger Measures
Bona Fide Request	
Percent Requests Processed Within 30 Business Days	**********
Percent Quotes Provided for Authorized BFRs Within 45 Days	**********
Billing	
Billing Accuracy	**********
Percent Accurate and Complete Formatted Mechanized Bills	**********
Percent Usage Records Transmitted Correctly	**********
Billing Completeness	**********
Billing Timeliness (Wholesale Bill)	Measure 20
Daily Usage Feed Timeliness	**********
Unbillable Usage	**********
Miscellaneous Administrative	
LSC Avg Speed of Response	**********
LSC Grade of Service	**********
Local Operations Center (LOC) Avg. Speed of Answer	**********
Percent Busy in the LSC	**********
LOC Grade of Service	**********

**** Additional Notes ****

1. TX Measures for XPSL Service Will Be Set Within 30 Days After the Arbitrator's Award in Docket Nos. 20226 & 20272 Currently Pending [These Are DSL Arbitrations Pending in TX]

2. TX – Some Measures are Subject to the Cap; in the FCC Proposal They Don't Appear to Distinguish Between Measures Subject to the Cap and Those That Aren't

3. TX Will Be Adding K-values 1-10 to Address Smaller CLECs

Attachment 3

Summary of the California CLEC Coalition Incentive Plan

[Attachment 3 to be filed in hard copy only]

CLEC GUIDING PRINCIPLES

- The incentive must be great enough to cause GTEC to meet its parity obligations.
- The incentive must be self-executing and applied without undue delay or additional litigation.
- Incentives should escalate with repeated or poor performance.
- The incentive structure must be fairly simple to implement and monitor.
- There should be minimal opportunity to game the system.

Components of An Incentive Plan

- Identify performance submeasures to which incentives will apply
    - parity submeasures
    - benchmarks
- Establish incentive structure and amounts
- Define statistical test to be used
- Determine critical values
- Establish sample size requirements

CLEC INCENTIVE PLAN

- Incentives Must Apply To All Performance Submeasures For Which No Correlation Has Been Proven
- CLECs and Pacific Bell/SBC Agreed to A List of Approximately 1,000 Submeasures To Which Incentives Will Apply
- The Same List of Submeasures Should Apply to All ILECs

CLEC INCENTIVE PLAN

- CLECs, SBC and GTEC Agree On Use of Modified Z Statistic For Parity Submeasures During The Interim Period

- Benchmarks Should Have No Statistical Test; Each is Passed or Failed According To Its Individual Standard

CLEC INCENTIVE STRUCTURE

- Tier I Violations: discriminatory performance provided to individual CLECs

- Tier II Violations: discriminatory performance provided to CLEC industry

CLEC Incentive Structure

Level of Violation Critical Values

- Basic Violation: $1.04 \leq$ modified $Z \leq 1.65$
- Intermediate: $1.65 <$ modified $Z \leq 3.00$
- Severe: Modified $Z > 3.00$

- Chronic: Any level of violation occurring for 3 or more consecutive months

CLEC INCENTIVE STRUCTURE

TIER I - Parity Submeasures

Level of Violation	Monthly Incentive For One Violation (per submeasure, per CLEC)
Basic	$2,500
Intermediate	$5,000
Severe	$25,000
Chronic	$25,000

CLEC INCENTIVE STRUCTURE

TIER I - Benchmarks

If Benchmark is missed, number of occurrences missing the benchmark (per submeasure)	**Monthly Incentive For One Violation (per submeasure, per CLEC)**
One or more occurrence, but fewer than 10% of the occurrences	$5,000
10 Percent or more of the occurrences	$25,000
Chronic Violation (any number of occurrences)	$25,000

CLEC INCENTIVE STRUCTURE
Tier II

- Incentives triggered if number of violations, based on aggregate CLEC data, exceeds the threshold
- Threshold based on a conservative Type I error rate of 5 percent.
- Each violation imposes a payment of $.25 per ILEC access line

MITIGATION MEASURES

Forgiveness Plan For Tier I Violations

- Forgivenesses only apply to parity submeasures
- One forgiveness granted per submeasure every 6 months
- No more than 2 forgivenesses can be accrued per submeasure
- Forgivenesses can only be used for the submeasure for which it was granted
- Forgivenesses must be used at first opportunity, except not in consecutive months nor for severe violations

MITIGATION MEASURES
Continued

- Limited Root Cause Analysis
- Procedural Cap
- Use of standard deviation of 1.04 rather than strict parity requirement of 0

Procedural Cap

- CLECs propose a procedural cap of $ 10 million a month
- If ILEC payment reaches the cap in a given month, the ILEC can request that the state commission halt further payments until the process can be reviewed
- If no payments beyond cap are authorized by the commission, then $10 million is prorated among CLECs.

Limited Root Cause Analysis

- Burden of proof on GTEC
- Limited to list of excludable events
- Force Majeure conditions excludable
- Inaccurate forecast may trigger root cause analysis
- Disputed amounts paid into escrow

CLEC INCENTIVE PLAN
Sample Size

- Minimum sample size of 5 for parity submeasures
- Permutation analysis for sample sizes between 5 and 20
- No minimum sample size for submeasures with inherently small sample sizes, e.g., Collocation, NXX Loaded by LERG Effective Date and Wholesale Bill Timeliness

CLEC INCENTIVE PLAN
Sample Size - Benchmarks

- For Benchmarks That Use Percentages, A Table That Scales the Percentages According to the Sample Size Should Be Used

CERTIFICATE OF SERVICE

I hereby certify that on July 20, 1999, a copy of the foregoing Motion of ICG Communications to File One Day Late and Comments of ICG Communication on Proposed Merger Conditions was delivered by overnight mail or by hand-delivery (*) to the following parties:

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RE: CC Docket No. 98-141

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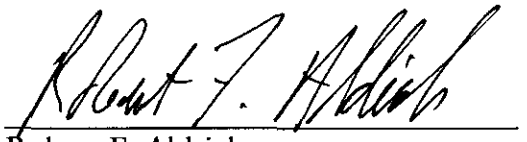

Robert F. Aldrich